## CONFIDENTIAL

The Director

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25X1Return to Mr. Saunders

Approved Fat

15 July 1948

fere, CIA is without express authority of Congress to purchase passenger carrying vehicles. Obviously, the purchase of such equipment from either veuchered or unveuchered funds will be necessary in order to avoid interruption of activities of CIA in the continental limits of United States and everseas. Due to this unique situation it is essential that you be aware of the legal and Congressional implications which are involved prior to your approval of the attached letter to the Director of Bureau of Federal Supply for establishment of a working fund by which it is intended that passenger carrying vehicles will be purchased.

5. If the attached letter is approved, it is intended to charge the fund to unvenchered funds available to the Director, Central Intelligence, for which no accounting is required, except by your certificate. The transaction will, however, be handled in a manner similar to venchered transactions.

6. Since it is imprebable that basic legislation required by CIA will be obtained until the Slat Congress convenes, it is recommended that the attached letter be approved. In recommending the approval of this letter the concurrence and comments of the Executive for Administration and Management, Chief, Budget and Finance Branch, and General Counsel have been obtained.

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	Attachment			
	Executive for A&N	CONCUR SICHED	DO NOT CONGUR	
5X1	Chief, Budget & Finance Br.		Subject to discon	uion
	General Counsel	legal object.		
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	or, CIA	CIMED		
Exec. A General	&M Counsel D	irector, Centre		

CONFIDENTIAL 15 July 1948

Director of Control Intelligence

Chief, Services Branch

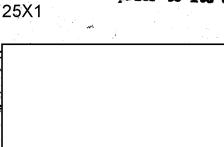
I. Attended is letter addressed to the Director of Federal Supply concerning the establishment of a working fund in the amount of \_\_\_\_\_\_ in that department for the purchase of equipment needed primarily for OSO, CIA eversess activities.

- 2. Such a fund existed during the fisual year 1948, and by the precedure sutlined in letter dated 30 April 1947, signed by year predecesser, Lieutenant General Heyt 3. Vandenberg, it was possible to purchase equipment, particularly sutemebiles and typewriters, through the Buseau of Federal Supply, and to avoid the tracing of such equipment to GIA. In addition, these items of equipment were, and still are, difficult to obtain and the problems which GIA would encounter in the presumment of these items through factory sources would be considerable.
- 3. Queted below is an excerpt from Public Law 600, 79th Congress, Section 16.(a), approved 2 August 1966:

"Section 5 of the Act of July 16, 1914 (5 U.S.C. 78), is emended to reed as fellows:

"SEC. 5. (a) Unless specifically authorized by the apprepriation concerned or other law, no appropriation shall be expended to purchase or hire passenger motor vehicles for any branch of the Government other than these for the use of the President of the United States, the secretaries to the President, or the heads of the amountive departments enumerated in 5 U.S.C. 1."

h. During the fiscal year 1948 adequate authority for the purchase of passenger carrying vehicles existed in the Atomic Service appropriation. It was employed, of esures, that basic legislation for CIA would be passed by the 88th Congress prior to its adjournment. As you know, this was not done, there-



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## CONFIDENTIAL AGENCY

23 JUL 1948

Mr. Clifton E. Mack, Director, Bureau of Federal Supply, Treasury Department, Washington, D. C.

Dear Mr. Mack:

Central Records

Reference is made to letter dated 30 April 1947, signed by the Director of Central Intelligence, establishing a working fund for the purchase of certain equipment for use by Contral Intelligence Agency, primarily to avoid tracing of such equipment to Central Intelligence Agency.

It is desired to establish a new working fund for the fiscal year 1949 in the amount of \_\_\_\_\_\_\_for the same purpose. The other terms, as contained in the letter referred to above by my predecessor, will centime in effect.

Sincerely,

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DIRECTOR OF CENTRAL INT	the first of the second of the

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